

December 14, 2005
Grays Harbor Action Update

This brief memo is to summarize activity around the Cosmopolis mill and other Grays Harbor activities.

Feasibility Study

There were no bids received for the feasibility study by the deadline in the RFP. This afternoon, the RFP review committee held a conference call regarding next steps. We shared information about what we've heard from bidders regarding the lack of proposals. The concerns included the need for broader distribution of the RFP, more time to develop a proposal, and insufficient funds. We're planning to address all but the last point...

The RFP review committee unanimously concluded the following:

- * Keep the existing RFP deliverables, etc. Potential bidders did not criticize the data requested.
- * Change the oral report deadline to May 30 from the current April 30.
- * Retain the June 30 final written deadline (because this is primarily a written version of the May 30 presentation).
- * Press ahead with publicizing the RFP with these new deadlines as soon as possible. The group talked about whether to wait until after the holidays to renew the push for bidders and decided to start now.
- * Have the proposals due somewhere around the second week of January.
- * Expand distribution of the RFP.

Our hope is that, by keeping the RFP as close to the original as possible, many of the consultants who saw the initial RFP will be in a position to get proposals together this time. Jim Keogh at CTED will revise the RFP.

Potential Buyers

Scott Marshall at Weyerhaeuser and I have discussed how to share information about prospective buyers. We have discussed three specific contacts. In each case, Scott does general information checks on the contact and sends a confidentiality agreement to the contact. We don't want to risk opportunities through public discussion, but I do want folks to know that we have a process in place for handling potential buyers and encourage folks to let us know about opportunities. Last week, the Governor formally reached out to Daicel to encourage them to consider purchasing the mill.

Web Site Communication

The Governor's web site has a Grays Harbor Action Team section. We will post publicly-available information to that location. When the Feasibility Study Request for Proposals is updated, for instance, it will be available there. See:
<http://www.governor.wa.gov/priorities/policy/economy/graysharbor/default.htm> The Governor's letters to Daicel are posted here.

Grays Harbor Paper

The Economic Development Council sponsored a discussion that included the future of Grays Harbor Paper. Short-term cash flow issues and long term marketing and cost strategies were discussed. There are on-going discussion involving community, state, and federal partners to ensure the health of GHP.

No December Meeting, January Reconvene

At the November 18th meeting, the Governor proposed that we should send the RFP and do other work and reconvene in 30 days. Given the outcome from the first RFP, the Governor suggests that we publicize the revised feasibility study request for proposals and converge in January when we have information from that process. In the meantime, if you have questions or concerns, please don't hesitate to call.

Thanks,

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